



**Georgia Housing and Finance Authority
Multifamily Affordable Housing
2022 Notice of Funding Availability for Cost Increases**

This NOFA draft is posted for public comment through Thursday, April 28, 2022

I. Purpose

In releasing this Notice of Funding Availability (NOFA), the goal of GHFA is to provide additional funding for previously awarded developments facing a funding gap due to construction cost increases.

II. NOFA Requirements

A. NOFA Funding Available

- DCA is allocating 30 million in HOME funding for this NOFA.
- DCA reserves the right to utilize additional HOME or other DCA resources, as circumstances necessitate.
- Applicants facing cost increases for which it is not possible to use HOME should complete the Pre-Application Questionnaire to be considered for any alternative resources (see below).

B. Eligible Developments

- Previously awarded developments that received 9% credits under the 2020 or 2021 Competitive Rounds
- Not yet started construction or have not yet completed construction
- Facing a funding gap due to construction cost increases

C. Eligible Applicants

- For-profit entities, qualified non-profit entities, or Public Housing Authorities
- Must be a pass-through entity (e.g., partnerships), corporation, tax-exempt organization (501(C)(3) and 501(C)(4)), or public entity (such as public housing authorities).

D. Eligible Activities

- GHFA funds will provide gap financing to cover increases. This award and LURA will not invalidate any existing restrictions on the property.

E. HOME Requirements

Eligible activities must be undertaken in accordance with the applicable manual and regulations:

- DCA HOME Manual
 - [Click here](#) to view the 2021 HOME documents. These are valid as of April 2022.
- [HOME regulations](#)

Developments will be required to comply with the following HOME federal regulations. DCA staff are available to assist in answering questions about how your development may comply with these regulations (see **Application Process and Timeline**, subsection **Further Questions** below for contact information):

- Environmental Reviews:
For HOME-funded developments, DCA will need to undertake a full NEPA Environmental review. Acquisition and commencement of construction cannot occur between the publishing of this NOFA and DCA's finalized review of all Environmental requirements. The Environmental Review Manual may be found [here](#).
- Relocation:
HOME-funded developments are subject to the Uniform Relocation Act requirements (URA). Details about URA can be found in the Federal Compliance and Relocation Manual [here](#).
- Davis Bacon, MBE/WBE, Section 3:
HOME-funded developments are subject to the labor laws and equal opportunity requirements in the Davis-Bacon Act, the HOME program's Minority- and Women-owned business outreach plan, and Section 3 of the Housing and Urban Development Act of 1968. Details about these requirements can be found in the Federal Compliance and Relocation Manual [here](#).

F. Eligible Costs

- Loans under this NOFA will only be awarded up to an amount which covers increases in construction costs since initial application.
- See above-referenced HOME Regulations for full explanation of eligible costs.

G. Ineligible Activities/Characteristics. The following activities or Application characteristics will be ineligible for funding under this NOFA:

- Applications that propose refinancing of existing debt with DCA HOME funds
- A project previously assisted with DCA HOME or NHTF funds, during the period of affordability
- Properties that may adversely impact the lease-up or operations of a multifamily development funded by DCA in the preceding two years
- The acquisition of property owned by GHFA
- Delinquent taxes, fees, or charges on properties to be assisted with DCA funds

- Funds may not be used for operating assistance.
- Other ineligible activities as set forth in the 2022 DCA Qualified Allocation Plan and HOME regulations.

H. Subsidy Limits The maximum per unit subsidy limits for all loans under this NOFA are HUD's applicable limits for the HOME program, currently:

<https://www.hudexchange.info/resource/2315/home-per-unit-subsidy/>

Below are the HUD-published HOME subsidy limits for purposes of loan sizing and HOME unit designations.

BR Size	Section 234 - Elevator	Multiplier	Subsidy limit
0	\$63,881	2.4	\$153,314
1	\$72,230	2.4	\$173,352
2	\$89,049	2.4	\$213,718
3	\$115,201	2.4	\$276,482
4+	\$126,454	2.4	\$303,490

I. Additional requirements

- DCA reserves the right to deny Applications, prior to Consent award, which are determined to pose an undue risk to DCA or GHFA.
- All selected properties will be subject to a stringent underwriting review and must be approved by the DCA Project Loan Committee (Committee) prior to final commitment of funds. Properties that are determined by the Committee to pose an undue risk to DCA or GHFA after a full underwriting review will not receive a final commitment of funds.
- Applicant must demonstrate it meets experience and capacity requirements for other federal, state, or local housing programs that may be used in conjunction with DCA funds to ensure compliance with all applicable requirements and regulations of such programs.
- Applicants must make acceptable assurances to GHFA that it will comply with the requirements of the applicable funding program during the entire period between selection and conclusion of all development activities.
- Applicants must comply with all applicable federal or state laws, regulations, and other requirements now or hereafter in effect. The Project Team, as defined in the 2022 QAP, is responsible for ensuring the proposed program, activities, goals and timetables comply with all federal or state laws, regulations and other requirements.

Areas covered by the applicable laws and regulations include but are not limited to: Non-Discrimination and Equal Access; Fair Housing and Equal Opportunity; Accessibility; Contracting and Procurement; Environmental; Lead Based Paint; Acquisition and Relocation; Financial Management; Labor Standards; and Immigration, Title VI of the Civil Rights Act of 1964, as amended, Age Discrimination Act of 1975, As Amended, Title VIII of Civil Rights Act of 1968, Affirmative marketing in accordance with 24 CFR 92.351, Section 3 of the Housing and Urban Development Act of 1968, Georgia Fair Lending Act, Section

504 of the Rehabilitation Act of 1973, Procurement Standards at 24 CFR 85.36, 24 CFR Part 84, and OMB Circular A-110, HOME Program Conflict of Interest Provisions

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III. Loan Terms and Requirements

	HOME Loan
Minimum request	1M
Maximum request	4M
Period of affordability	New Construction: 20 years Rehabilitation: 15 years
Loan term	Greater of: <ul style="list-style-type: none"> • period of affordability, or • first loan's term, if DCA loan is not in first position.
Construction interest rate	0%
Permanent interest rate	2%

Additional requirements:

- DCA may require selected applicants to use DCA funds first during construction.
- DCA will require all selected applicants to have a payment and performance bond.
- HOME loans awarded under this NOFA may be cash flow contingent.

IV. Application Process and Timeline

The application process comprises a Pre-Application Questionnaire and full NOFA application process.

A. Pre-Application Questionnaire

[Click here](#) to complete the Pre-Application Questionnaire (*instructions to be included in final NOFA draft*).

DCA aims to use HOME to the greatest extent possible to cover funding gap increases. The Pre-Application Questionnaire is intended to:

- Help DCA assess whether HOME applicants will need to prepare scoring documents under this NOFA, or whether all requests can be covered through HOME
- Help DCA assess the collective amount of funding gaps that cannot be covered through HOME and whether this collective amount will require establishing a competitive process for alternative funding sources

There is no fee to complete the Pre-Application Questionnaire. Survey prompts include but are not limited to:

- Size of funding gap
- Brief description of the circumstances surrounding the funding gap
- HOME eligibility questions

- NHTF eligibility questions

B. Full Application Submission Requirements:

The following documents comprise a complete NOFA application.

- The application fee is \$1,500 made payable to Georgia Housing and Finance Agency (GHFA). This expense must be paid by the applicant and cannot be included in an updated development budget.
- Narrative/Formal Request Memo
 - Funding Gap: Detail the current funding gap based on the original tax credit award, updated development costs, and updated non-tax credit sources of funds. Describe attempts to increase equity pricing from the submitted core application, increase loan amounts, and/or secure other sources of funding.
 - Changes Summary: Note the change in construction costs and total development costs as compared to the original core application submission and explain the cause of cost increases.
 - Sources Update: Detail the change in funding sources provided for this development and efforts made to fund the gap.
 - Timeline to Closing: Detail the projected timeline to closing and construction commencement.
- Updated Core Application with:
 - Updated Part III-Sources of Funds
 - Updated Part IV-A-Uses of Funds
 - The developer fee may not increase.
 - Updated Part V-Utility Allowances (if applicable)
 - Updated Part VI-Revenues & Expenses;
 - Updated Part VII-Pro Forma
 - No more than 50% of the original developer fee can be deferred (if cash flow is available to pay the fee in full by year 15).
- Updated Relocation documentation (if applicable):
 - New or Updated Relocation Plan
 - New or Updated Relocation Budget
 - New or Updated Relocation Worksheet
 - New or Updated Signed Certification
 - DCA may request additional documentation such as household data forms, rent rolls, and relevant HUD documentation if necessary to complete the relocation review.
- Updated Commitments:
 - Loan commitments and equity commitments as referenced in the Updated Core Application (Part III Sources).
 - Rental assistance and/or government financial assistance contract (if applicable)

- Updated construction bids
- Description of any value engineering
- Third-Party Front-end analysis of construction costs
- Updated Environmental report if a previous submission did not contain the following:
 - HOME HUD Environmental Questionnaire
 - 8 step process supporting documentation (if applicable)
 - HOME Site and Neighborhood Standards Certification, and Supporting documentation
 - Note: If the original Environmental Report included all of the above, please only include the original submission.
- MBE/WBE outreach plan guide form
- For Selection Criteria:
 - Selection Criteria narrative: please submit a PDF describing which sections and point options the applicant is claiming points under with comments explaining why the applicant qualifies for the points.
 - Supporting documentation for applicable Selection Criteria

Submission Instructions One complete NOFA application comprising the above documentation should be submitted in one or more zip files through Emphasys. The zip file(s) should follow the NOFA application organization structure on the DCA website. Applicants should label the file **“2022 Cost Increases NOFA”**.

Applications for funding and all applicable fees will be accepted until the deadline of 4:00 p.m. EST on the dates described below. Any Application received after the deadline will be ineligible.

C. Submission and Review Timeline

Applicants must submit an application to DCA during the application period referenced below.

NOFA Application and Post-Award Timeline	
<i>Item</i>	<i>Date</i>
NOFA draft released for public comment	April 22, 2022
NOFA released (<i>anticipated</i>)	April 29, 2022
NOFA funding gap questionnaire deadline	May 9, 2022
Application deadline	June 3, 2022
Anticipated award announcement	July 1, 2022

Prior to closing, Applicants will need to submit to DCA's Construction Services Department the DCA 60-day submission, DCA Review Submission, and Loan Closing Submission. See the 2021 Architectural Submission Transmittal here: <https://www.dca.ga.gov/node/3058>

PLACE AN 'X' IN THE BOX NEXT TO EACH DOCUMENT SUBMITTED	
60 DAY SUBMISSION (due no later than 60 days after announcement of awards; or no later than March 30, 2021)	
01	<input type="checkbox"/> DCA Award letters (copy of Carryover and HOME Consent ltrs/exhibits)
02	<input type="checkbox"/> ALTA/ACSM Land Title Survey
03	<input type="checkbox"/> Geotechnical Report (new construction only)
04	<input type="checkbox"/> Owner/Architect Agreement - Executed
05	<input type="checkbox"/> Contractor Approval Package (see HOME Underwriting Policies of the 2020 QAP Threshold)
06	<input type="checkbox"/> Accessibility Consultant DCA Qualifications Package (see Accessibility Manual for requirements)
07	<input type="checkbox"/> Accessibility Consultant Agreement
08	<input type="checkbox"/> Accessibility Contractor and Subcontractor Training Sessions Action Plan (submit a document that states how this will be accomplished (min. two training sessions))
09	<input type="checkbox"/> Sustainable Building Certification "draft" scoring sheet for the development and related Consultant Agreement
10	<input type="checkbox"/> HERS Rater Consultant Agreement (agreement/proposal)
11	<input type="checkbox"/> Copy of Rehabilitation Standards Threshold Section "Energy Audit Report (ECM)" that was due/submitted with the application (rehab projects only)
12	<input type="checkbox"/> 3rd Party Cost Reviewer DCA Qualifications Package (ALL projects)
13	<input type="checkbox"/> DCA Amenities & Design Options Re-Certification form (per the awarded CORE application)
14	<input type="checkbox"/> DCA Approved Architectural Waivers/Optional Amenities (including evidence of DCA approval)
15	<input type="checkbox"/> DCA Approved Project Concept Changes (including evidence of DCA approval)
16	<input type="checkbox"/> Other: _____

DCA#: 1/0/1900 Program: 2020 NHTF 9pct Page: 01 of 02	
PLACE AN 'X' IN THE BOX NEXT TO EACH DOCUMENT SUBMITTED	
DCA REVIEW SUBMISSION (Due 45 days prior to DCA construction loan closing and no later than May 30, 2021)	
01	<input type="checkbox"/> DCA Construction Document Log (drawing log) (DCA Review Set)
02	<input type="checkbox"/> DCA "Review Set" of drawings (plans) (see directions for definition of "DCA Review Set") (no paper set required-PDF only)
03	<input type="checkbox"/> DCA "Review Set" of Project Manual (specs) (no paper set required-PDF only)
04	<input type="checkbox"/> DCA Schedule of Values form (DCA Review Set)
05	<input type="checkbox"/> DCA Amenities & Design Options Re-Certification form
06	<input type="checkbox"/> Owner/Contractor Agreement - Draft (current A101 Stipulated Sum or A102 Cost of Work Plus Fee With a Guaranteed Maximum Price forms)
07	<input type="checkbox"/> Other Construction Hard Cost Work Scope (support documentation for work not included in O/C agreement)
08	<input type="checkbox"/> Construction Schedule - Draft (DCA Review Set)
09	<input type="checkbox"/> Third Party Front-End Cost Review (DCA Review Set) (ALL projects)
10	<input type="checkbox"/> Narrative that identifies each Carryover Allocation letter "Assumptions & Conditions" and provides a status update of each condition (Construction Svcs Dept items (ex.: wetlands delineations, noise mitigation plans, etc.) (restate each C.o.F in the narrative)
11	<input type="checkbox"/> Federal Work Authorization Affidavits (E-Verify)
12	<input type="checkbox"/> DCA Approved Architectural Waivers/Optional Amenities (including evidence of DCA approval)
13	<input type="checkbox"/> DCA Approved Project Concept Changes (including evidence of DCA approval)
14	<input type="checkbox"/> Other: _____
LOAN CLOSING SUBMISSION (due 10 days prior to DCA construction loan closing)	
01	<input type="checkbox"/> DCA Construction Document Log (drawing log) (DCA Contract Set)
02	<input type="checkbox"/> DCA "Contract Set" of drawings (plans) (see directions for definition of "DCA Contract Set") (no paper set required-PDF only)
03	<input type="checkbox"/> DCA "Contract Set" of Project Manual (specs) (no paper set required-PDF only)
04	<input type="checkbox"/> Addendum incorporating/outlining revisions from "DCA Review Set" into the "DCA Contract Set"
05	<input type="checkbox"/> DCA Schedule of Values form (DCA Contract Set)
06	<input type="checkbox"/> DCA Amenities & Design Options Re-Certification form
07	<input type="checkbox"/> Owner/Contractor Agreement - Executed (DCA Contract Set)
08	<input type="checkbox"/> Other Construction Hard Cost Work Scope (support documentation for work not included in O/C agreement)
09	<input type="checkbox"/> DCA Approved Architectural Waivers/Optional Amenities (including evidence of DCA approval)
10	<input type="checkbox"/> DCA Approved Project Concept Changes (including evidence of DCA approval)
11	<input type="checkbox"/> Other: _____

D. Further Questions

- A copy of this NOFA and other related materials are available on the DCA website ([click here](#)).
- Frequently Asked Questions and Answers will be posted to this site.
- Questions related to NOFA requirements or HOME and NHTF federal regulations can be submitted through the 2022 Cost Increases NOFA Survey posted to the NOFA website.

V. Selection Criteria

In the event DCA receives funding requests in excess of funds available, DCA will use the following criteria in selecting applications that will be funded. It is the applicant's responsibility to submit sufficient documentation to receive consideration of any Selection Criteria.

DCA may fund, in whole or in part, any, all, or none of the Applications submitted. The scoring does not vest in an applicant or development any right to DCA funding in any amount.

Selection Criteria
<p>Loan position and repayment</p> <ul style="list-style-type: none"> • (5 points) DCA construction-permanent loan is in lien position 1. • (3 points) DCA construction-permanent loan is in lien position 2. • (1 point) DCA construction-permanent loan is in lien position 3. <p>Must be reflected in Core Application, part III-Sources.</p>
<p>Readiness to proceed</p> <ul style="list-style-type: none"> • (4 points) Evidence of permit approval from local authority <p>Minimum documentation: PBRA commitment.</p>
<p>Federal funds experience – Within the last 15 years, applicant has had experience using federal funds for the new construction or rehabilitation of multifamily rental properties larger than 30 units in one of the following ways:</p> <ul style="list-style-type: none"> • (4 points) Developed three properties using HOME or NHTF, and applicant is still owner and/or operator for all three • (3 points) Developed one property using HOME or NHTF, and applicant is still owner and/or operator • (2 point) Developed one property using HOME or NHTF • (1 point) Developed two multifamily rental properties using federal funds that were not HOME or NHTF <p>Minimum Documentation: updated DCA Performance Workbook</p>
<p>Federal funds compliance history</p> <ul style="list-style-type: none"> • (2 points) Applicant is eligible for one of the above Federal Funds Experience point options, and the applicant has no outstanding compliance history for a federally funded property <p>Minimum Documentation: updated DCA Performance Workbook</p>
<p>Priority Point</p> <p>(2 points) Applicants designate one application as the top priority among all applications submitted under this NOFA. The “one application” limitation applies to all applications for</p>

which the applicant had effective control under the originally submitted 9% Credits application.

Effective control is as defined in the 2022 QAP in **(Threshold Criteria) Experience, Capacity and Performance Requirements for General Partner and Developer Entities.**

Selection Criteria Narrative must list all applications submitted under this NOFA for which applicant has effective control.

Tiebreakers:

- To resolve ties between applications from the same year's competitive round (2020 or 2021):
 - Compliance Score as determined during original 9% Competitive Round.
 - Overall score of the original 9% Competitive Round application.
- First awarded application under this NOFA for the entity with effective control.
- Earlier year of the most recent 9% Credits award for the Local Government Boundary.
- Lower Housing Stability score for census tract according to Enterprise Community Partners Opportunity 360.
- Applications that use the least amount of 9% Credits per low-income unit.
- Applicants with documentation that the property will reduce public housing waiting lists.
- Any remaining ties will be resolved by random number assignment.